

**WRITTEN TESTIMONY  
In Support of H7722**

**To:** The Honorable Chair and Members, House Corporations Committee  
**Re:** H7722

Dear Chairman Solomon and Members:

I respectfully submit this testimony in support of H7722 and in rebuttal to two claims raised in opposition: first, that the bill “undermines negotiated networks,” and second, that it will materially increase premiums or destabilize actuarial balance. Neither claim withstands scrutiny.

**I. The Bill Does Not Undermine Negotiated Networks**

In Rhode Island’s dental insurance market, approximately 95% of licensed dentists participate as in-network providers. This near-universal participation rate is not evidence of robust, bilateral negotiation—it reflects that network terms are effectively dictated by carriers. Providers face a take-it-or-leave-it choice; genuine negotiation requires documented mutual agreement, not unilateral assignment of fee allowance schedules.

- **Semantic evasion.** Labeling a standard fee allowance schedule as “special” is a device used to circumvent statutory consumer protections. H7722 restores the original intent of the statute by tying payment obligations to a single, consistent standard.
- **Legitimate contracting is preserved.** The bill does not prohibit genuine, mutually agreed-upon value-based arrangements. It prevents carriers from defeating consumer protections through deceptive labeling.

Opponents have warned that dentists will abandon their networks if this statute is amended. That same argument was raised more than twenty years ago—and it did not come to pass then. There is no credible basis to believe it will occur now.

**II. The Bill Will Not Materially Increase Premiums or Destabilize Actuarial Balance**

Dental premiums are priced on the basis of utilization, service mix, and calendar-year benefit maximums—not on the identity of the provider receiving payment for a discrete subset of claims.

- **Limited scope.** The bill affects claims attributable to approximately 5% of dentists—those who are out-of-network. The remaining 95% of providers and their associated claims are unaffected.
- **Prepaid benefit structure.** Dental plans are structured as prepaid benefits with calendar-year caps. Actuaries already price for maximum theoretical utilization. Adjusting which provider receives payment does not expand covered services, increase per-member maximums, or alter the actuarial baseline.
- **Correcting cost-shifting.** Current carrier practices frequently reduce allowable amounts and shift the difference to patients through balance billing. H7722 eliminates this cost-shifting—it does not create new financial exposure for insurers.

## **Conclusion**

H7722 corrects a structural imbalance in a concentrated market by ensuring that statutory consumer protections apply as intended. It aligns payment practice with actuarial realities, eliminates carrier-imposed cost-shifting, and preserves legitimate contracting arrangements. Any administrative adjustments required by implementation can be phased in over time and do not justify maintaining a system that systematically shifts costs onto consumers. I urge the Committee to support H7722.

Respectfully submitted,



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